

Message Text

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70

ACTION INR-07

INFO OCT-01 EUR-12 ISO-00 SS-15 EB-07 COME-00 SP-02 AID-05

NSC-05 CIEP-01 TRSE-00 STR-04 OMB-01 CEA-01 AGR-05

XMB-02 CIAE-00 EA-07 IO-11 /086 W

----- 077898

R 011455Z MAR 76

FM AMEMBASSY BERLIN

TO SECSTATE WASHDC 2161

INFO AMEMBASSY BELGRADE

AMEMBASSY BONN

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY PARIS

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY WARSAW

USMISSION USBERLIN UNN

USMISSION NATO

C O N F I D E N T I A L BERLIN 5350

E.O.11652: GDS

TAGS EEWT, EFIN, EINV, ETRAD

SUBJECT: FINANCING EASTERN EUROPE'S TRADE WITH THE WEST

REF:(A) STATE 38308 (B) BERLIN A-13, OCT. 1, 1975

1. THE EMBASSY HAS NO INDICATION THAT THE GDR IS EXPERIENCING ANY DIFFICULTIES IN MEETING DEBT OBLIGATIONS. TO THE CONTRARY, ON THE BASIS OF TALKS WITH A FAIRLY STEADY STREAM OF U.S. BANKERS IN ACTIVE BUSINESS CONTACT HERE, WE HAVE THE IMPRESSION THAT THE GDR IS MEETING ITS OBLIGATIONS ON TIME WITH NO HINT OF ANY DIFFICULTY, AND MOSTFEEL THAT THE GDR IS AN EXCELLENT RISK.

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2. AS WE HAVE PREVIOUSLY REPORTED, AMERICAN BANKS

AR ACTIVE HERE; AND TO THE EXTENT THAT THEY HAVE REQUIREMENTS TO REPORT LOAN TRANSACTIONS, THE DEPARTMENT MAY BE IN A BETTER POSITION THAN WE TO STATE THE EXACT TERMS OF RECENT LOANS TO THE GDR TO FINANCE IMPORTS, INTER ALIA, OF AGRICULTURAL COMMODITIES. IN THIS CONNECTION, WE WELCOME THE DEPARTMENT'S INTENTION TO TAKE A SYSTEMATIC LOOK AT EAST EUROPEAN BORROWING, AND WE LOOK FORWARD TO GETTING A COPY OF THE RESULTS.

3. FIRST NATIONAL BANK OF CHICAGO TOLD US FEB 26 THAT THEIR BANK EXPECTS SHORTLY TO CO-MANAGE WITH BANK OF AMERICAN A GDR BORROWING OF \$120 MILLION IN EUROFUNDS WHICH THEY EXPECT TO BE OVERSUBSCRIBED REACHIN AN ULTIMATE TOTAL OF ABOUT \$150 MILLION. FIRST NATIONAL OF CHICAGO REPRESENTATIVE DID NOT DESCRIBE TERMS OF LOAN.COOPER

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Message Attributes

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Disposition Event:
Disposition History: n/a
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04 MAY 2006

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To: STATE
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